



Susan Mosier, MD, Secretary

Department of Health & Environment

Sam Brownback, Governor

## **MEMORANDUM**

**TO:** Health Care Commission  
J. Scott Day  
Steve Dechant  
Kenneth Selzer  
Sarah Shipman  
Heather Young

**FROM:** Mike Michael

**DATE:** March 30, 2017

**SUBJECT:** Medical Plan Design

The State Employee Health Plan (SEHP) currently offers two plan designs. Each plan has a unique design and unique member cost sharing features.

To maintain the financial stability of the program, plan design and/or rate changes will need to occur for next year. Staff has provided the HCC the following changes for consideration for Plan Year 2018.

Coverage modifications for consideration include:

Plan	Benefit Changes	Dollar Impact of Each Change
A	<b>Increase Office Visit Copay:</b> 1. \$5 2. \$10 Current: PCP \$40, Specialist \$60	1. \$373,470 2. \$727,399
A	<b>Increase Out of Pocket Maximum:</b> 1. \$250/\$500 2. \$500/\$1,000 Current: \$5,750/\$11,500	1. \$963,413 2. \$1,711,121
A	<b>Increase the Deductible:</b> 1. \$100/\$200/\$300 2. \$200/\$400/\$600 3. \$250/\$500/\$750 4. \$300/\$600/\$900 5. \$400/\$800/\$1,200 6. \$500/\$1,000/\$1,500 Current: \$1,000/\$2,000/\$3,000	1. \$1,533,987 2. \$3,050,379 3. \$3,819,213 4. \$4,489,915 5. \$5,872,060 6. \$7,255,952

<b>C</b>	<b>Increase the Deductible Single/Family:</b> <ol style="list-style-type: none"> <li>1. \$100/\$200</li> <li>2. \$200/\$400</li> <li>3. \$300/\$600</li> <li>4. \$400/\$800</li> </ol> <p>Current: \$2,750/\$5,550</p>	<ol style="list-style-type: none"> <li>1. \$534,135</li> <li>2. \$1,041,216</li> <li>3. \$1,397,472</li> <li>4. \$1,617,224</li> </ol>
<b>C</b>	<b>Increase Coinsurance:</b> <ol style="list-style-type: none"> <li>1. 5% Coinsurance</li> <li>2. 10% Coinsurance</li> </ol> <p>Current: 20%</p>	<ol style="list-style-type: none"> <li>1. \$1,288,024</li> <li>2. \$2,564,453</li> </ol>
<b>C</b>	<b>Increase Out of Pocket Maximum:</b> <ol style="list-style-type: none"> <li>1. \$250/\$500</li> <li>2. \$500/\$1,000</li> </ol> <p>Current: \$5,000/\$10,000</p>	<ol style="list-style-type: none"> <li>1. \$1,754,431</li> <li>2. \$3,100,359</li> </ol>
<b>C</b>	<b>Employer HSA/HRA Contribution:</b> <ol style="list-style-type: none"> <li>1. Decrease the ER Contribution by \$250</li> <li>2. Decrease the ER Contribution by \$500</li> <li>3. Decrease the ER Contribution by \$750</li> <li>4. Decrease the ER Contribution by \$1,000</li> </ol> <p>Current: \$1,000/\$1,250 plus Wellness Opportunity of \$500/\$1,000</p>	<ol style="list-style-type: none"> <li>1. \$3,835,613</li> <li>2. \$7,671,225</li> <li>3. \$11,482,161</li> <li>4. \$19,092,518</li> </ol>

We are prepared to model any additional options the HCC may like to see for the plan designs.